

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
“Promoting Broadband, Jobs, and Economic Growth Through Commercial Spectrum Auctions”
Subcommittee on Communications and Technology
June 1, 2011

Since April 12, the Communications and Technology Subcommittee has held three hearings that address spectrum policy. Last week we focused on public safety spectrum needs while this week we examine how we might make additional spectrum available for commercial broadband through incentive auctions.

I am pleased that Chairman Walden and Ranking Member Eshoo are working together to focus the Subcommittee’s attention on spectrum matters. Smart spectrum policy can help improve public safety, promote broadband, create jobs, and reduce the deficit. I know members on both sides of the aisle recognize what a rare opportunity we have to accomplish several important policy goals by enacting legislation in this area.

Incentive auctions are not the only element of smart spectrum policy that we need to address. We also should consider how to utilize federal spectrum resources better, how to encourage spectrum sharing, how to maximize spectrum efficiency across all spectrum bands, and how to balance our mix of licensed and unlicensed spectrum.

But authorizing the FCC to conduct incentive auctions should be the foundation of our spectrum policy efforts.

This is a concept that has bipartisan, bicameral support. At the Energy and Commerce Committee, Representatives Barrow and Latta have both introduced measures that would grant the FCC the ability to conduct incentive auctions.

It is also backed by economic experts. In April, more than 100 prominent economists with varying political perspectives wrote President Obama to endorse incentive auctions as a good way to repurpose spectrum while minimizing transaction costs.

Notably, these economists believe that Congress should give the FCC great flexibility to design appropriate auction rules to maximize the benefits of incentive auctions. They note that in 1993, Congress took the then controversial step of authorizing spectrum auctions and allowing the FCC flexibility to design how spectrum auctions should work. The result was a huge success. Since Congress authorized spectrum auctions, the increase in consumer welfare has been dramatic

and the economic benefits to our nation substantial. The system implemented by the FCC has been replicated around the world.

As we move forward towards authorizing incentive auctions – and I hope we will do so soon – we need to be wary about limiting the FCC’s flexibility to design an efficient auction. We should take full advantage of the FCC’s world-class expertise on auction design and give the agency the ability to work with auction experts to set up the best possible incentive auction. We should not micromanage the agency in this area.

I recognize some are concerned about whether we can ensure that incentive auctions are truly voluntary. I remain confident we can find a way to avoid unfairly disadvantaging broadcasters in this process, and I appreciate the broadcasters’ stated willingness to work with us to figure this out. Broadcasters provide vital services that should not be interrupted or degraded. Our job should be to focus on the specific legislative language that would provide assurances to broadcasters that they are not being forced to sell spectrum in the voluntary auction.

We have an excellent panel today and I look forward to hearing from our witnesses. Thank you.